



**NEW JERSEY TURNPIKE AUTHORITY
REQUEST FOR PROPOSAL**

**FOR
INVESTMENT BANKING SERVICES:
SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-
MANAGER**

DECEMBER 2012

Table of Contents

| | |
|---|----------|
| SECTION I -- INTRODUCTION | 4 |
| SECTION II -- ADMINISTRATIVE AND CONTRACTUAL INFORMATION | 6 |
| A. Purpose..... | 6 |
| B. Inquiries | 6 |
| C. Closing Date..... | 6 |
| D. The Proposals..... | 7 |
| E. Proposer vs. Consultant | 7 |
| F. Signatures..... | 7 |
| G. Incurring Costs..... | 7 |
| H. Addendum to RFP..... | 7 |
| I. Acceptance of Proposals | 7 |
| J. Rejection of Proposals | 7 |
| K. Final Agreement..... | 7 |
| L. Dissemination of Information | 8 |
| M. Public Records | 8 |
| N. News Releases | 8 |
| O. Affirmative Action..... | 8 |
| P. Small Business Enterprises Requirements..... | 8 |
| Q. Division of Revenue Registration..... | 9 |
| R. State Political Contributions Notice: Public Law 2005, Chapter 51, and Executive Order 117 | 10 |
| S. Affidavit of Moral Integrity | 10 |
| T. Code of Ethical Standards..... | 10 |
| U. Tolls | 10 |
| V. Proposals Become Property of The Authority | 10 |
| W. Right To Audit Clause | 10 |
| X. Shareholders/Partnership Disclosure Statement | 10 |
| Y. Vendor Disclosure Form N.J.S.A. 52:34-13.2..... | 11 |
| Z. Notice to All Respondents of Set-Off for State Tax | 11 |
| AA. Affidavit of Non-Collusion..... | 11 |

| | |
|---|-----------|
| BB. Proposal Schedule | 11 |
| SECTION III -- SCOPE OF SERVICES | 12 |
| A. Background | 12 |
| B. Current Situation | 12 |
| C. General Services | 13 |
| D. Specific Services | 14 |
| SECTION IV -- PROPOSAL REQUIREMENTS, PREPARATION, FORMAT | 15 |
| A. General | 15 |
| B. Required Components | 15 |
| C. Evaluation Factors | 17 |
| D. Evaluation Criteria | 18 |
| SECTION V: INSURANCE AND INDEMNIFICATION | 19 |
| A. Insurance | 19 |
| B. Certificate and Endorsement Requirements | 20 |
| C. Indemnification | 21 |
| SECTION VI: CHECKLIST AND EXHIBIT DOCUMENTS | 22 |

SECTION I -- INTRODUCTION

The New Jersey Turnpike Authority (the “Authority”) is soliciting proposals from qualified firms interested in providing senior manager, (“Senior Manager”), co-senior manager, (“Co-Senior Manager”) or co-manager, (“Co-Manager” and, together with Senior Manager and Co-Senior Manager, each an “Underwriter”) bond underwriting services. Based upon a review of the responses to this Request for Proposal (“RFP”), the Authority intends to select an underwriting syndicate for anticipated new-money transactions in 2013. If refunding opportunities exist at the time of the new money sale they may be included in the transaction with this syndicate or may be subject to a separate RFP to be issued in the future. Firms which apply for Senior Manager, Co-Senior Manager, and Co-Manager will be considered when and if such a syndicate is formed. Firms which apply for Senior Manager but are not selected will be considered for Co-Senior Manager or Co-Manager. All remaining firms, including those who have applied only for Co-Manager, will then be considered for the syndicate. The Authority reserves the right to select a sole manager for a transaction if doing so is deemed to be in the Authority’s best interests. Joint ventures will not be considered. The bond underwriting services are detailed in Section III of the RFP.

The solicitation of proposals (“Proposals”) is being conducted pursuant to the statutes and laws of the State of New Jersey (the “State”), as found in N.J.S.A. 27:23-6.1, and Executive Order No. 37 (Corzine 2006), and the regulations and policies of the Authority with regard to the procurement of professional services. Furthermore, Proposals are being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.1, et seq. Proposers are also required to comply with the EEO requirements of P.L. 1075, C.127 (N.J.A.C. 17:27). The services of the Underwriters will be completed upon the issuance of each series of bonds issued by the Authority.

Upon review of all Proposals, the Authority may request that one or more Proposers appear for an oral presentation focusing on how their proposed project approach and solution will satisfy the requirements of this RFP. The Authority may limit the number of Proposers that can make oral presentations to permit efficient competition among the most highly rated proposals. Should an oral presentation be requested, it will be an opportunity for each short-listed Proposer to introduce its project staff to the Authority, demonstrate its proposed solution, and to present supplementary information regarding its Proposal and credentials as related to the specific needs of the Authority.

The Proposer may use handouts, display boards, products and other materials during this oral presentation; provided, however, that the presentation will be restricted to a maximum time period specified by the Authority, including the time allotted for a question and answer period. Information relating to the Proposer’s recent experience on similar assignments, approach to the project and the use of innovative and/or cost effective measures should be included in the oral presentation.

Proposer(s) invited to make an oral presentation may submit a best and final offer (“BAFO”) either during oral presentation or within two (2) business days following the presentation. BAFO can modify any aspect of the bid proposal, provided mandatory/ minimum RFP requirements

continue to be satisfied and further provided that the revised price proposal is not higher than the original price proposal.

After evaluating Proposals of those invited to make an oral presentation, the evaluation committee may enter into negotiations with those Proposers. The primary purpose of such negotiations is to maximize the Authority's ability to get the best value, based on the requirements and evaluation criteria set forth in this RFP. Negotiations may involve the identification of significant proposal weaknesses, ambiguities and other deficiencies that could limit a Proposer's award potential, including price. More rounds of negotiations may be held with one Proposer than another. Negotiations will be structured to safeguard information and ensure that all bidders in the competitive range are treated fairly.

After evaluation of the BAFO submissions, and any negotiations, the evaluation committee will recommend to the Executive Director for award the Proposer whose Proposal, conforming to the RFP, is most advantageous to the Authority, price and other factors considered. The Executive Director may accept, reject or modify the recommendation of the Evaluation Committee. The Executive Director may negotiate further reductions in price with the recommended Proposer. Negotiations will be conducted only in those circumstances where they are deemed by the Authority to be in the Authority's best interests and to maximize the Authority's abilities to get the best value. Therefore, Proposers are advised to submit their best price proposals in response to this RFP, because the Authority, may, after evaluation, make a contract award based on the content of these initial submissions, without further negotiations with the Proposer

End of Section I

SECTION II -- ADMINISTRATIVE AND CONTRACTUAL INFORMATION

A. Purpose

This RFP contains a Scope of Services (Section III) which is intended to outline the Authority's needs.

B. Inquiries

ONLY type-written inquiries concerning the RFP will be accepted and may be directed to Andrea E. Ward, Director, Procurement and Materials Management Department, New Jersey Turnpike Authority, P.O. Box 5042, Woodbridge, New Jersey 07095-5042. Inquiries by FAX are acceptable. The FAX number is 732-750-5399. The inquiry deadline is **4:30 P.M. EST, Thursday, December 20, 2012**. Inquiries will not be entertained after this date and time.

A PROPOSER IS NOT PERMITTED TO MAKE INQUIRIES OF OR DISCUSS OR QUESTION ANY AUTHORITY EMPLOYEE, STATE EMPLOYEE OR COUNSEL OR CONSULTANT TO THE AUTHORITY WHILE THIS REQUEST FOR PROPOSAL IS OUTSTANDING, EXCEPT AS OTHERWISE SET FORTH HEREIN. IT IS INAPPROPRIATE FOR ANY RESPONDENT TO CONTACT ANY AUTHORITY COMMISSIONER OR ANY STATE OFFICIAL OR EMPLOYEE DURING THE REQUEST FOR PROPOSAL PROCESS. FAILURE TO COMPLY WITH THIS GUIDELINE MAY RESULT IN DISQUALIFICATION OF THE PROPOSER.

C. Closing Date

One (1) original and seven (7) copies of the Proposer's Proposal must be received no later than **4:30 PM EST, Tuesday, January 8, 2013** addressed to Andrea E. Ward, Director, Procurement and Materials Management Department.

Regular Mail

New Jersey Turnpike Authority
P. O. Box 5042
Woodbridge, NJ 07095

Federal Express or Other Overnight Delivery

New Jersey Turnpike Authority
581 Main Street
Woodbridge, NJ 07095

Proposals not delivered by the stated time and date shall not be considered unless the time is extended by the Authority pursuant to a written addendum published on the Authority's website (the "Addendum").

Proposers mailing Proposals should allow for their normal mail delivery time to ensure timely receipt of their RFP Responses. Please be advised that using overnight /next -day delivery service does not guarantee overnight / next-day deliveries to our location.

D. The Proposals

It is anticipated that the Proposal will provide a concise and precise delineation of the Proposer's ability to meet all of the requirements of the Authority as provided for in this RFP.

E. Proposer vs. Consultant

The terms "Proposer" and "Consultant" are used frequently, and may be used interchangeably; however, "Proposer" is intended to identify the entity submitting a Proposal, while "Consultant" is the entity to whom the Agreement for Professional Services (the "Agreement") is awarded.

F. Signatures

Proposals must be signed by an officer authorized to make a binding commitment for the Proposer.

G. Incurring Costs

The Authority shall not be liable for any costs incurred by any Proposer in the preparation of its Proposal for the services requested by this RFP.

H. Addendum to RFP

If at any time prior to receiving Proposals it becomes necessary to revise any part of this RFP, or if additional information is necessary to enable Proposers to make an adequate interpretation of the provisions of this RFP, an Addendum to this RFP will be issued.

I. Acceptance of Proposals

This RFP does not in any manner or form commit the Authority to award an Agreement. The contents of the Proposal shall become a contractual obligation, if, in fact, a Proposal is accepted and an Agreement is entered into with the Authority. The Authority may award an Agreement solely on the basis of the Proposal submitted without any additional negotiations. The Authority reserves all rights to provide for additional negotiations if it deems it in its best interests. Failure of a Proposer to adhere to and/or honor any or all of the obligations of its Proposal may result in rescission of any award of the Agreement by the Authority.

J. Rejection of Proposals

The Authority reserves the right to reject any and all Proposals. The Authority shall not be obligated at any time to award any Agreement to any Proposer.

K. Final Agreement

Any Agreement entered into with a successful Proposer shall be an Agreement that shall be satisfactory to the Authority in accordance with the laws of the State of New Jersey. The provisions of the attached Agreement, not otherwise set forth in this RFP, are hereby incorporated. It is understood that any Agreement that may be awarded will be on the basis of a professional agreement for services within the intent of the statutes and laws of the State of New Jersey, specifically N.J.S.A. 27:23-6.1.

L. Dissemination of Information

Information included in this document or in any way associated with this RFP is intended for use only by the Proposer and the Authority and is to remain the property of the Authority. Under no circumstances shall any of said information be published, copied or used, except in replying to this RFP.

M. Public Records

Any Proposal received from a Proposer under this RFP constitutes a public document that will be made available to the public upon request pursuant to New Jersey's Open Public Records Act, N.J.S.A. 47:1A-1 et seq. A proposer may request the Authority's General Counsel to deem certain sections of its proposal containing personal, financial or proprietary information non-disclosable, which determination shall be in accordance with such act.

N. News Releases

No news releases pertaining to this RFP or any project to which it may relate shall be made without the Authority's approval.

O. Affirmative Action

The Proposer must certify that it does not discriminate in the hiring or promotion of any minorities, as designated by the Equal Employment Opportunity Commission of the United States of America, or the Department of Civil Rights of the State of New Jersey; and that it does not discriminate against any person or persons on the basis of race, creed, age, color, sex, national origin, ancestry, marital status and affectional or sexual orientation or handicap.

In addition, the Proposer must state in the Proposal that the Proposer agrees to fulfill all requirements and goals and to complete the appropriate forms. The following are included in Section VI:

Exhibit A – Mandatory Equal Employment Opportunity Language
Exhibit B – Affirmative Action Information Sheet

However, if a Proposer maintains a current Letter of Federal Approval, or a current Certificate of Employee Information Report Approval as issued by the Department of the Treasury, State of New Jersey, it may be submitted in place of the AA-302 Form. The appropriate form must be completed and submitted to the Authority by the selected Firm immediately after being notified of award of the Agreement.

P. Small Business Enterprises Requirements

It is the policy of the Authority that small businesses (each a "small business enterprise" or "SBE") as determined and defined by the State of New Jersey, Division of Minority and Women Business Development ("Division") and the New Jersey Department of the Treasury ("Treasury") should have the opportunity to participate in Authority contracts (N.J.A.C. 17:13-1.1, et seq.)

To the extent the Proposer engages subcontractors or sub-consultants to perform Services for the Authority pursuant to this Contract, the Proposer must demonstrate to the Authority's satisfaction that a good faith effort was made to utilize subcontractors and sub-consultants who are registered with the Division as SBEs in the State of New Jersey.

As set forth in N.J.A.C. 17:27-4.3, evidence of a "good faith effort" includes, but is not limited to:

1. Proposers shall attempt to locate qualified potential small business subcontractors;
2. Proposers shall request a listing of small businesses from the Division if none are known to the Proposer;
3. Each Proposer shall keep a record of its efforts, including the names of businesses contacted and the means and results of such contacts;
4. Proposers shall provide all potential subcontractors with detailed information regarding the specifications; and
5. Proposers shall attempt, wherever possible, to negotiate prices with potential subcontractors submitting higher than acceptable price quotes.

Furthermore, the Proposer shall submit proof of its subcontractors' and/or sub-consultants SBE registrations on the form attached as Exhibit M if applicable, and shall complete such other forms as may be required by the Authority for reporting to the State of New Jersey as to participation.

Q. Division of Revenue Registration

Pursuant to the terms of N.J.S.A. 52:32-44, the successful Proposer is required to provide to the Authority proof of valid business registration with the Division of Revenue in the Department of the Treasury, prior to entering into an agreement with the Authority. **No agreement shall be entered into by the Authority unless the Proposer first provides proof of valid business registration.** In addition, the successful Proposer is required to receive from any sub-consultant it uses for goods and services under the Agreement, proof of valid business registration with the Division of Revenue. No agreement shall be entered into for any agreement with the Authority unless the sub-consultant first provides proof of valid business registration. Please include a copy of the Proposer's Certificate of Registration with the Proposal submission. (Exhibit J)

All questions regarding this requirement should be referred to the Division of Revenue hotline at (609)292-1730.

R. State Political Contributions Notice: Public Law 2005, Chapter 51, and Executive Order 117

The intended awardee will receive the applicable forms, Chapter 51 and E.O. 117, from the Authority's Procurement and Materials Management Department to be completed and returned to the Authority for submission to the State Treasurer. Upon approval by the State Treasurer, the Authority will issue an Agreement. (Exhibit D)

S. Affidavit of Moral Integrity

Together with the Proposal, the Proposer must submit an Affidavit of Moral Integrity on the form attached hereto for review by the Authority's General Counsel. (Exhibit C)

T. Code of Ethical Standards

The Proposers are advised that the Authority has adopted the New Jersey Uniform Code of Ethics, a copy of which is attached as Exhibit K. By submitting a Proposal, the Proposer agrees to be subject to the intent and purpose of said Code and to the requirements of the Division on Ethical Standards of the State of New Jersey.

U. Tolls

It is the policy of the Authority not to offer toll free passage on its roadways for its vendors; See N.J.S.A. 27:23-25 and N.J.A.C. 19:9-1.19.

V. Proposals Become Property of The Authority

All Proposals shall become the property of the Authority upon receipt and will not be returned.

W. Right To Audit Clause

Proposer shall keep and maintain proper and adequate books, records and accounts accurately reflecting all costs and amounts billed to Authority with regard to this RFP. Authority, its employees, officers, or representatives shall have the right upon written request and reasonable notice, to inspect and examine all books and records related to the Proposer's books and records specific to the Proposal and Agreement. Such records shall be retained by Proposer for at least seven (7) years. In no event shall books and records be disposed of or destroyed of prior to seven (7) years or during any dispute or claim between Authority and Proposer with regard to the RFP.

Pursuant to N.J.S.A. 52:15C-14(d), relevant records of private vendors or other persons entering into contracts with the Authority are subject to audit or review by the New Jersey Office of the State Comptroller. Therefore, the Contractor shall maintain all documentation related to products, transactions or services under this contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

X. Shareholders/Partnership Disclosure Statement

Each Proposer shall return to the Authority with its Proposal a completed, dated, signed and witnessed Shareholders/Partnership Disclosure Statement set forth as Exhibit E.

Failure to include the completed and signed form may be grounds for rejection of Proposers' Proposal.

Y. Vendor Disclosure Form N.J.S.A. 52:34-13.2

N.J.S.A. 52:34-13.2 requires disclosure that all parties seeking business under a contract with the Authority disclose the origin and location of the performance of their services that are the subject matter of the contract. Each Proposer shall return to the Authority with its Proposal as completed, dated and certified Vendor Disclosure Form set forth as Exhibit F.

Z. Notice to All Respondents of Set-Off for State Tax

Each Proposer shall return to the Authority with its Proposal a signed and dated Notice of Set-Off for State Tax set forth as Exhibit G which advises Proposers of the State of New Jersey's right to set-off any tax indebtedness from payments made under agreements with the Authority.

AA. Affidavit of Non-Collusion

Each Proposer shall return to the Authority with its Proposal a completed, dated, signed and witnessed Affidavit of Non-Collusion set forth as Exhibit I. Failure to include the completed and signed form may be grounds for rejection of Proposer(s)'s Proposal.

BB. Proposal Schedule

| | |
|---|---------------------------|
| Closing Date for Submission of Inquiries (4:30 PM, EDT) | Friday, December 21 2012 |
| Closing Date of Receipt of Proposals (4:30 PM, EDT) | Tuesday, January 8, 2013 |
| Tentative Commission Approval | Tuesday, January 29, 2013 |

End of Section II

SECTION III -- SCOPE OF SERVICES

A. **Background**

The New Jersey Turnpike Authority was created by an act of the New Jersey Legislature in 1948, known as the New Jersey Turnpike Authority Act as amended and supplemented (the “Act”). The Act authorizes the Authority to construct, maintain, repair, and operate the New Jersey Turnpike, to collect tolls, and to issue Turnpike Revenue bonds or notes, subject to approval of the Governor, payable from tolls and other revenues of the Authority. Under the provisions of the Act, the Turnpike bonds or notes and the interest thereon do not constitute a debt or liability or a pledge of the faith and credit of the State of New Jersey or any political subdivision.

On May 27, 2003, the Act was amended to empower the Authority to assume all powers, rights, obligations and duties of the New Jersey Highway Authority (the “Highway Authority”), which owned and operated the Garden State Parkway and PNC Bank Arts Center. On July 9, 2003, all bonds of the Highway Authority ceased to be outstanding as the Turnpike Authority had assumed all debts and statutory responsibilities and obligations of the Highway Authority.

The Authority Board of Commissioners consists of eight members, five members appointed by the Governor, one appointed by the Governor upon the recommendation of the President of the Senate, one appointed by the Governor upon recommendation of the Speaker of the General Assembly, and the Commissioner of the State Department of Transportation. At this time, the Commissioner of the State Department of Transportation serves as Chair of the Commission. The Authority is a component unit of the State of New Jersey and its financial statements, presented in accordance with accounting principles generally accepted in the United States (“GAAP”), are included in the State of New Jersey’s (the “State”) Comprehensive Annual Financial Report (“CAFR”). Audited Financial Statements can be found on the Authority’s website at www.state.nj.us/turnpike/Investor-Relations.

Turnpike Revenue Bonds are issued in accordance with the provisions of the Turnpike Revenue Bond Resolution of August 21, 1991, as amended, restated, and supplemented (the “1991 Bond Resolution”). A copy of the 1991 Bond Resolution can be found on the Authority’s website at www.state.nj.us/turnpike/Investor-Relations.

B. **Current Situation**

On October 10, 2008, the Authority’s Commissioners approved a toll increase effective December 1, 2008, equal to 40% on the New Jersey Turnpike and 43% on the Garden State Parkway, and an additional toll increase effective January 1, 2012 equal to 53% on the New Jersey Turnpike and 50% on the Garden State Parkway. These toll increases were structured to put the Authority on sound financial footing and fund critical safety and congestion relief projects through a \$7 billion Capital Investment Plan.

The Authority has recently entered into a five year agreement with the Treasurer of the State of New Jersey to help fund the state's Transportation Capital Plan. Under this agreement the Authority is to provide payments in the following annual amounts:

| State Fiscal Year Ending 6/30 | Authority Contribution |
|----------------------------------|---------------------------|
| 2012 | \$229 million |
| 2013 | \$324 million |
| 2014 | \$324 million |
| 2015 | \$324 million |
| 2016 | \$324 million |

These amounts are subordinate to bondholder payments and are payable solely from amounts on deposit in the General Reserve Fund (as defined in the 1991 Bond Resolution).

Currently, the Authority has approximately \$8.0 billion of revenue bonds outstanding. The Authority expects to issue revenue bonds in increments to meet the needs of its Capital Investment Plan. At this time, the Authority expects to issue \$1.44 billion of new money debt in 2013, \$1.0 billion in 2014, \$500 million in 2015, \$500 million in 2016, \$500 million in 2017 and \$500 million in 2018 to fully fund its Capital Investment Plan. In addition, the Authority intends to pursue all opportunities to refinance fixed rate debt for savings, and to refinance its variable rate debt portfolio with fixed rate debt and terminate the associated Interest Rate Swap Agreements if beneficial to the Authority. The Authority recently completed a refinancing of its Series 1991C, 1991D, 2003A, 2004C, 2009C, 2009D and 2009E bonds.

This RFP is intended to be used to determine an underwriting team for the 2013 new money financings, however, should a refinancing opportunity arise in the course of those transactions, the Authority may use this RFP to select an underwriting team, or may use the same underwriting team as the new money transaction(s) if it is determined to be in the Authority's best interest

Details on the Authority's existing debt can be found in the Authority's 2011 Audited Financial Statements, and the 2012B Official Statement which can be found on the Authority's website at www.state.nj.us/turnpike/Investor-Relations.

C. General Services

The Proposer shall become familiar with the Authority's procedures, presentation and coordinating requirements necessary for the effective performance of its services. If selected to serve as an Underwriter, the Proposer will be required to coordinate its services and activities with designated Authority management personnel, the Authority's Financial Advisor and Bond Counsel.

D. Specific Services

The Senior Manager selected will be required to provide some or all of the services identified below, at the request of the Authority. Co-Senior Managers (if any), and Co-Managers shall provide information and assistance upon request and shall act as members of the underwriting syndicate.

1. Work with the Financial Advisor in recommending structures for each specific debt series being issued in order to minimize overall debt service costs.
2. Assist in drafting and reviewing relevant bond documents, including, but not limited to, official statements, purchase agreements, bond resolutions and indentures, leases and contracts.
3. Assist in preparation of materials or presentations, discussions and meetings or other communications with rating agencies, insurers, banks, credit enhancers and investors.
4. Identify financing opportunities available to Authority.
5. Manage the underwriting process.
6. Commit capital to underwrite the bonds or notes being issued.
7. Provide post-closing analysis of the debt issuance, including but not limited to pricing, orders, allotments and all information required by Executive Order No. 26.
8. Provide such underwriting and investment banking services as requested Authority.

End of Section III

SECTION IV -- PROPOSAL REQUIREMENTS, PREPARATION, FORMAT

A. General

1. A Proposal is requested from the Proposer. The Scope of Services (Section III) is intended to outline the Authority's basic needs. The Proposal will detail the Proposer's experience, personnel, proposed scope and approach, and any other relevant information.
2. All portions of this RFP and the Proposal are considered to be part of a contract and will be incorporated by reference.
3. All respondents are required to limit their proposals to fifteen (15) pages (exclusive of appendices) at no smaller than 12 point type. Excess pages and extraneous materials or appendices will detract from the overall quality of the response. Joint proposals will NOT be permitted.
4. All the requirements listed in the Check List (Section VI) must be complied with in order to be considered responsive to this RFP.
5. The Authority reserves the right to select, in its sole discretion, one or more Underwriters. Any Respondent who submits a Proposal and is not selected as a Senior Manager or Senior Co-Manager for any particular issuance of bonds will be eligible to be considered for the role of Co-Manager.

B. Required Components

Proposers interested in being selected for the Senior Manager or Co- Senior Manager position (if any) must respond to all questions provided below.

Proposers interested in being selected only as Co-Managers must respond to questions No.1 through and including No.6 below. In your Proposal, please respond to each question by repeating the question at the top of the section and referring to the question by the numbers used in this RFP.

1. In lieu of a cover letter, please state the positions (i.e., Senior Manager, Co-Senior Manager, or Co-Manager) for which you are applying. Provide an executive summary of not more than one page identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested underwriting services to the Authority.
2. Provide the name, title, business address, e-mail address, telephone number and fax number of the individual the Authority should contact regarding your proposal.
3. Provide a brief description of your firm, its ownership structure and its state/country of incorporation or formation. Describe your firm's physical presence in the State of New Jersey, including the number of offices, the number of employees and the

- type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.
4. Describe your firm's bond sales and distribution capabilities, including both retail and institutional sales. Describe any retail distribution agreements. Also provide your firm's capital position, including equity capital, net capital and excess net capital and the amount of bonds your firm can underwrite. Indicate if there are any limitations on your firm's ability to commit capital to an underwriting and who in your proposed banking team is authorized to commit capital on behalf of your firm.
 5. In tabular form to be included as an appendix, provide details (par amount, number of trades) of your firm's support of the Authority's bonds for the period beginning January 1, 2011 through November 30, 2012 in both the primary and secondary markets.
 6. Provide a summary table of representative issues in excess of \$100 million par amount that your firm has underwritten for the period beginning January 1, 2011 through November 30, 2012. Please indicate your role in these transactions. Provide a list of these transactions as an appendix.
 7. For Senior Manager candidates only: Provide a summary table of the new money issues in excess of \$500mm par amount that your firm has senior managed for the period beginning January 1, 2011 through November 30, 2012. Provide a backup list of these transactions as an appendix.
 8. For Senior Managers and Co-Senior Manager candidates only: Provide a summary table of the transportation issues in excess of \$200mm par amount that your firm has senior managed for the period beginning January 1, 2011 through November 30, 2012. Provide a list of these transactions as an appendix.
 9. Provide information on the amount (both in US dollars and number of transactions) of credit your firm has extended to US municipal bond issuers for the period beginning January 1, 2011 to date. This list should include letters of credit and standby bond purchase agreements to support transactions as well as direct purchases. .
 10. List all ideas that your firm has presented in writing to the Authority for the period January 1, 2011 through November 30, 2012. Include the submission date, a synopsis of the idea, and the implementation date, if implemented.
 11. Provide an analysis detailing the Authority's ability to refinance its existing debt portfolio for savings, including ideas to maximize the potential savings and minimize negative arbitrage.

12. Given the Authority's current debt profile and outlined capital plans, provide your firm's detailed marketing plan for the Authority's upcoming new money bond issue(s). Provide your firm's proposed maturity and couponing structure for the proposed new money issuance. The plan should include your recommendation as to how many financings the Authority should complete during calendar 2013 to issue up to \$1.4 billion of bonds.
13. List your proposed fees, expenses, and takedown by maturity for a \$500 million, \$1 billion, and \$1.5 billion transaction. Assume a 30-year transaction structured for level debt service. Exclude fees and expenses of underwriter's counsel. Your fee must not be contingent on any specified syndicate policy. Also include your proposed coupons and spreads to MMD using bond yields as of close of business December 20, 2012.
14. List and describe the primary personnel that will be assigned to provide investment banking and underwriting services to the Authority with a discussion of their relevant experience.
15. Provide your thoughts on how to improve the Authority's rating or outlook.
16. Identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transactions for the Authority, including but not limited to conflicts with financial advisors, law firms providing services to the State or the Authority and State employees or Authority employees.
17. Describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees thereof during the period beginning January 1, 2011 through November 30, 2012. Describe the nature and status of the matter and the resolution, if any.
18. List any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.
19. Provide as an appendix, the last two G37 reports your firm has filed and if applicable, form G38t.

C. Evaluation Factors

The Proposal will be evaluated for conformance to the requirements of this RFP. Selection of a Proposer will be based upon the Proposal. Proposals will be awarded a maximum of one hundred (100) points based on the following factors:

D. Evaluation Criteria

- | | <u>Weight</u> |
|---|----------------------|
| 1. Experience of the Firm on Similar Projects | 25% |
| Evaluation will include the firm's number of senior managed transactions exceeding \$500 million and transportation transactions serving as senior manager for deals over \$200 million. The firms with more experience will receive a higher score. The firms will also be evaluated on their bond distribution capabilities and capital strength. Consideration will be given to New Jersey presence and for small/minority/women business proposed participation in the services. (This accounts for 5% of the 25% weight) | |
| 2. Credentials of the Project Team | 15% |
| Evaluation will include qualifications and relevant experience of key personnel, and the firm's functional organization and integration to deliver the Services required under the RFP. The references to be provided by the Proposer for review shall pertain to the nature of the Services performed, and such other considerations regarding the ability and responsibility of the Proposer that the Authority deems appropriate. Specifically include the project team's knowledge and direct experience in bond underwriting services. | |
| 3. Understanding of Authority's Needs | 15% |
| Evaluation of the quality of the firm's previously presented financial ideas, secondary market support for the Authority's bonds, and ability to provide credit to municipal bond issuers. | |
| 4. Approach to the Project | 30% |
| Evaluation of the firm's proposed structure, pricing and marketing plan for the transactions contemplated by the RFP. The proposals which result in the least risk and lowest cost to the Authority will receive the highest scores. | |
| 5. Price | 15% |
| The firms which submit the lowest overall underwriters discount (takedown) and direct expenses will receive the highest score. | |

The Authority reserves the right to select a Sole Manager for a transaction if doing so is deemed by the Authority to be in the Authority's best interests. Interviews may be conducted, at the option of the evaluation committee, with any or all of the firms submitting a proposal. If interviews are to be held you will be notified approximately one week in advance.

End of Section IV

SECTION V: INSURANCE AND INDEMNIFICATION

A. Insurance

The Firm shall procure and maintain, at its own expense until acceptance by the Authority of the project, insurance for liability for damages imposed by law and assumed under this the Agreement, of the kinds and in the amounts hereinafter provided. All insurance companies must be authorized to do business in the State of New Jersey, and must carry an A.M. Best Rating of A-/VII or better. Before commencing of the Services hereunder, the Firm shall furnish to the Authority a certificate or certificates of insurance (together with declaration pages if requested by the Authority) in a form satisfactory to the Authority showing that it has complied with this Section. The certificate or certificates and declaration pages shall provide that the policies shall not be canceled or restrict any coverage until thirty (30) days prior written notice has been given the Authority. All certificates and notices of cancellation change shall be mailed to: General Counsel, New Jersey Turnpike Authority, P.O. Box 5042, Woodbridge, NJ 07095-5042. Upon request, the Firm shall furnish the Authority with a certified copy of each policy, including the provision establishing premiums.

In the event that the Firm fails or refuses to renew any insurance policy required to be maintained herein, or if such policy is canceled or modified so that the insurance does not meet the requirements contained herein, the Authority may refuse to make payment of monies due under the Agreement. The Authority in its sole discretion may use such monies to purchase insurance on behalf of the Firm.

The types and minimum limits of insurance shall be:

1. Commercial General Liability Insurance

The minimum limits of liability for this insurance shall be as follows:

| | |
|---|-------------|
| Bodily Injury and Property Damage..... | \$2,000,000 |
| (Each occurrence combined single limit) | |
| Personal Injury Each Occurrence..... | \$2,000,000 |
| General Aggregate..... | \$2,000,000 |
| Products Aggregate..... | \$2,000,000 |
| Fire Damage Legal Liability..... | \$100,000 |
| Medical Payments..... | \$5,000 |

This policy shall name: "The New Jersey Turnpike Authority, its Commissioners, officers, employees, and agents" as additional insured. The coverage to be provided under this policy shall be at least as broad as the standard basic un-amended and unendorsed commercial general liability policy. This insurance policy shall include, but not be limited to, Personal Injury, Broad Form Property Damage, Contractual Liability including the deletion of the coverage restriction related to work conducted within fifty (50) feet of a railroad, Products/Completed

Operations, X.C.U., and Independent Contractors Coverages. Products Completed Operations coverage shall remain in force for a period of two (2) years following the completion and/or termination of the Agreement.

2. Business Automobile Liability Insurance

The Comprehensive Automobile Liability policy shall cover owned, non-owned and hired vehicles with minimum limits as follows:

Combine Single Limit of Liability for Bodily Injury or Property Damage any one accident \$2,000,000.

This policy shall name: "The New Jersey Turnpike Authority, its Commissioners, officers, employees and agents" as additional insured.

3. Workers Compensation and Employers' Liability Insurance

Workers Compensation Insurance shall be provided in accordance with the requirements of the laws of the State of New Jersey and shall include all-states coverage for any state which may be interpreted to have legal jurisdiction. Employers' Liability Insurance shall be provided with a limit of liability of \$2,000,000 for each accident.

4. Professional Errors and Omissions Insurance.

The Firm, upon award of the Agreement, shall provide its own Professional Errors and Omissions Insurance with a minimum limit of liability of \$5,000,000 per claim and in the annual aggregate exclusive of the amounts required for Commercial General Liability Insurance. The Firm shall maintain its Professional Errors and Omissions Insurance in effect for a period of two years following the termination of the Agreement.

B. Certificate and Endorsement Requirements

Each of the above required policies shall contain the endorsements as stated below:

1. Thirty (30) day notice of cancellation or any restriction in coverage by registered mail to the Authority.
2. All policies, shall contain a waiver of subrogation clause in favor of the Authority, its Commissioners, officers, employees, and agents
3. With respect to policies (A1) and (A2) the "other insurance" clause under each policy shall be amended to read as follows: "This policy will act as primary insurance and not contribute with policies issued to the Authority." Insurance Coverage in the minimum amounts provided for herein shall not relieve the Firm of any liability which might exceed that amount, nor shall it preclude the

Authority from taking such other actions as are available to it under any other provisions of the Agreement, or otherwise in law.

The Firm shall also require that all of its contracting parties comply with the insurance requirements stated above including providing evidence of such insurance coverages in the same manner as stated above.

Due to future changes in economic financial and/or insurance market conditions the Authority at its discretion may modify the above stated insurance requirements.

NOTWITHSTANDING THAT MINIMUM AMOUNTS OF INSURANCE COVERAGE CARRIED OR REQUIRED TO BE CARRIED BY THE FIRM ARE SPECIFIED HEREIN, THE LIABILITY OF THE FIRM SHALL NOT BE LIMITED TO THE AMOUNTS SO SPECIFIED AND SHALL EXTEND TO ANY AND ALL LIABILITY IN EXCESS OF THE INSURANCE COVERAGES PROVIDED NOR SHALL THEY PREVENT THE AUTHORITY FROM TAKING ANY ACTION AVAILABLE TO IT UNDER THE PROVISIONS OF THE AGREEMENT OR OTHERWISE IN LAW OR EQUITY.

C. Indemnification

Should the Firm become engaged by the Authority and provide any of the Services contemplated under this RFP the Firm agrees to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them against and from all liabilities, judgments, threatened, pending or completed actions, suits, demands for damages or costs of every kind and description actually and reasonably incurred (including attorneys' fees and costs and court costs) (collectively "Liabilities") including, without implied limitations, Liabilities for damage to property or Liabilities for injury or death of the officers, agents and employees of either the Firm or the Authority, resulting from any act or omission or willful misconduct of the Firm or any of its officers, agents, sub-consultants, or employees in any manner related to the subject matter of this Agreement. In the event that the Firm fails to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them in accordance with this Section, any money due to the Firm under and by virtue of this Agreement as shall be considered necessary by the Authority may be retained by the Authority and held until any and all Liabilities shall have been settled and suitable evidence to that effect furnished to the Authority. The obligations in this Section shall survive the termination, expiration or rescission of this Agreement.

End of Section V

SECTION VI: CHECKLIST AND EXHIBIT DOCUMENTS

CHECKLIST OF ITEMS

THE FOLLOWING ITEMS, AS CHECKED BELOW, MUST BE SUBMITTED WITH YOUR RFP RESPONSE PACKAGE ALONG WITH THE CHECKLIST ITSELF:

CHECK OFF AS READ, SIGNED & SUBMITTED

| | | | |
|---|-----------|---|------------|
| √ | | CHECK LIST | √ |
| √ | A. | AFFIRMATIVE ACTION INFORMATION SHEET | |
| √ | B. | MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE (Professional Services) | |
| √ | C. | AFFIDAVIT OF MORAL INTEGRITY | |
| | D. | STATE THE AGREEMENT OR POLITICAL CONTRIBUTIONS NOTICE Public Law 2005, Chapter 51, Executive Order 134 and Executive Order 117 | FYI |
| √ | E. | STOCKHOLDER/PARTNERSHIP DISCLOSURE STATEMENT | |
| √ | F. | FIRM DISCLOSURE FORM – EXECUTIVE ORDER 129 | |
| √ | G. | NOTICE TO ALL PROPOSERS SET-OFF FOR STATE TAX | |
| √ | H. | NJ ELECTION LAW ENFORCEMENT COMMISSION REQUIREMENT FOR DISCLOSURE OF POLITICAL CONTRIBUTIONS | |
| √ | I. | AFFIDAVIT OF NON-COLLUSION | |
| √ | J. | NJ BUSINESS REGISTRATION CERTIFICATE | |
| | K. | NJ UNIFORM ETHICS CODE | FYI |
| √ | L. | SMALL BUSINESS ENTERPRISE/MINORITY BUSINESS ENTERPRISE/WOMAN BUSINESS ENTERPRISE FORM | |
| √ | M. | SMALL BUSINESS ENTERPRISE FORM SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE PARTICIPATION | |
| √ | N | INSURANCE (see Section V of RFP for Insurance Requirements for this The Agreement) Submit proof of insurance- either certificate or letter from broker with proposal | |

(Firm)

(Title)

(Signature)

(Date)

(Name – please print or type)

(Telephone Number/Fax Number)

EXHIBIT A

AFFIRMATIVE ACTION INFORMATION SHEET

IN ACCORDANCE WITH THE TERMS OF THE ATTACHED AGREEMENT PROPOSERS ARE REQUIRED TO SUBMIT ONE OF THE FOLLOWING FORMS RELATING TO COMPLIANCE WITH AFFIRMATIVE ACTION REGULATIONS. PLEASE COMPLETE AND RETURN THIS FORM WITH THE PROPOSAL.

1. The proposer has submitted a Federal Affirmative Action Plan Approval which consists of a valid letter from the Office of Federal The Agreement Compliance Programs (Good for one year of the date of letter).

YES _____ NO _____

If Yes, a photo copy of the Letter of Approval is to be submitted with the bid.

(OR)

2. The proposer has submitted a Certificate of Employee Information Report pursuant to (NJAC 17.27-1.1) and The State Treasurer has approved said report.

YES _____ NO _____

If Yes, a photo copy of the Certificate is to be submitted with the bid. (Expiration Date on Certificate)

Certificate of Approval Number _____

(OR)

3. If Proposer has already submitted Form AA-302 to the States' Affirmative Action Office, please return a copy of it with the bid.

If you are the successful proposer and have none of the above, please contact the Purchasing Department at **(732) 750-5300 ext. 8629** within five (5) days of notification of award for an Affirmative Action Employee Information Report (AA-302). This form (AA-302) must be forwarded to the States' Affirmative Action Office with the AUTHORITY's Copy (Pink) returned to the Turnpike Authority Purchasing Department.

The signature below certifies that one of the above forms of Affirmative Action evidence has been submitted, and all information contained above is correct to the best of my knowledge.

Signed _____ Date Signed _____

Print Name and Title _____

Proposers Company Name _____

Address _____

Telephone Number _____ Fax Number _____

EXHIBIT B

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE N.J.S.A. 10:5-31 et seq., N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICES AND GENERAL SERVICE THE AGREEMENTS

During the performance of this the Agreement, the Contractor agrees as follows:

- A. The Contractor or Subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the Contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of Wage; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.
- B. The Contractor or Subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex.
- C. The Contractor or Subcontractor, where applicable will send to each labor union or representative or workers with which it has a collective bargaining agreement or other the Agreement or understanding a notice to be provided by the agency contracting officer advising the labor union or worker's representative of the Contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The Contractor or Subcontractor where applicable agrees to comply with any regulations promulgated by the Treasurer pursuant to **N.J.S.A. 10:5-31 et seq.** as amended and supplemented from time to time and the Americans with Disabilities Act.
- E. The Contractor or Subcontractor agrees to make good faith efforts to employee minority and women workers consistent with the applicable county employment goals established in accordance with **N.J.A.C. 17:27-5.2** or a binding determination of the applicable county employment goals determined by the Division, pursuant to **N.J.A.C. 17:27-5.2**.
- F. The Contractor or Subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
- G. The Contractor or Subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personal testing conforms with the principles of job-related testing, as established by the statutes and court

decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

- H. In conforming with the applicable employment goals, the Contractor or Subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.
- I. The Contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services the Agreement, one of the following three documents:
 - i. Letter of Federal Affirmative Action Plan Approval
 - ii. Certificate of Employee Information Report
 - iii. Employee Information Report form AA302

Page 2 - Mandatory EEO Language – Professional Services

The Contractor and its Subcontractor shall furnish such reports or other documents to the Division of The Agreement Compliances & EEO as may be requested by the Division from time to time in order to carry out the purposes of these regulations, and Public Agencies shall furnish such information as may be requested by the Division of The Agreement Compliance & EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27**

The parties to this the Agreement do hereby agree that the provision of **N.J.S.A. 10:5-31 et seq.** dealing with discrimination in employment on Public The Agreements, and the rules and regulations promulgated pursuant thereunto, are hereby made a part of this the Agreement and are binding upon them.

Submitted by:

Firm Name: _____

By: _____

Title: _____

Date: _____

EXHIBIT C
AFFIDAVIT OF MORAL INTEGRITY

STATE OF _____

Ss:

COUNTY OF _____

I, _____, the _____ (Pres., Vice Pres., Owner/Partner) of

_____ (Bidder), being first duly sworn, deposes and says:

1. That the Bidder wishes to demonstrate moral integrity in accordance with the services to be rendered/goods to be provided in accordance with the Bidder's bid/proposal.

2. That as of the date of signing this Affidavit, neither Bidder, nor any of its Principals, Owners, Officers, or Directors are involved in any Federal, State or other Governmental Investigation concerning criminal or quasi criminal violations, except as follows: **(If none, so state):**

3. Bidder further states that neither the Bidder, nor any of its Principals, Owners, Officers or Directors, has ever engaged in any violation of a Federal or State Criminal Statute; or ever been indicted, convicted, or entered a plea of guilty, non vult or nolo contendere to any violation of a Federal or State Criminal Statute; or ever engaged in violation of any nature regarding work on the Agreements performed by it, except as follows: **(If none, so state):**

4. That Bidder authorizes any depository or other agency to supply the Authority with any information necessary to verify any statement made in this Affidavit of Moral Integrity.

5. That as of the date of signing this Affidavit, outstanding liens filed against this Bidder are as follows: **(if none, so state).**

6. That the undersigned, being authorized to act on behalf of Bidder, certifies that I am personally acquainted with the operations of said Bidder, have full knowledge of the factual basis comprising the contents of this Affidavit of Moral Integrity and that the same are true to my knowledge.

7. That this Affidavit of Moral Integrity is made to induce the Authority to accept the Bidder as a qualified provider of goods and/or services, knowing that the said New Jersey Turnpike Authority relies upon the truth of the statements herein contained.

Signature

Print Name

Title

(Corporate Seal)

Sworn and Subscribed to Before Me This

____ Day of _____ 20__

Notary Public

EXHIBIT D

State Contractor Political Contributions Compliance Public Law 2005, Chapter 51 and Executive Order 117

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State the Agreements from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Executive Order 134 (McGreevey) was signed on September 22, 2004 and became effective October 15, 2004. EO134 was applicable to all State agencies, the principal departments of the executive branch, any division, board, bureau, office, commission within or created by a principal executive branch department, and any independent State authority, board, commission, instrumentality or agency. EO134 was superseded by P.L. 2005, c. 51, signed into law on March 22, 2005 (“Chapter 51”). In September 2008, Executive Order 117 (Corzine) was signed and became effective November 15, 2008. EO117, which applies only prospectively, extends Chapter 51’s political contribution restrictions by expanding the definition of “business entity” to include, for example, more corporate shareholders and sole proprietors. EO117 and Chapter 51 contain restrictions and reporting requirements that will necessitate a thorough review of their provisions by bidders.

Pursuant to the requirements of Chapter 51 and EO117, the terms and conditions set forth in this Exhibit are material terms of any the Agreement entered into by the Authority.

DEFINITIONS

For the purpose of this Exhibit, the following shall be defined as follows:

- a) “**Contribution**” – means a contribution reportable by the recipient under the New Jersey Campaign Contributions and Expenditures Reporting Act, P.L. 1973, c. 83, N.J.S.A. 19:44A-1 et seq., and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq., made on or after October 15, 2004. As of January 1, 2005, contributions in excess of \$300 are reportable.
- b) “**Business Entity**” – means any natural or legal person; business corporation (and any officer, person, or business entity that owns or controls 10% or more of the corporation’s stock); professional services corporation (and any of its officers or shareholders); limited liability company (and any members); general partnership (and any partners); limited partnership (and any partners); in the case of a sole proprietorship: the proprietor; a business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction, including its principals, officers, or partners. The definition of a business entity also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person’s spouse, civil union partner or child, residing in the same household, except for contributions by spouses, civil union partners, or resident children to a candidate for whom the contributor is eligible to vote, or to a political party committee within whose jurisdiction the contributor resides.

PROHIBITION ON THE AGREEMENTS/BREACH OF EXISTING THE AGREEMENT

As set forth in Chapter 51 and EO117, the Authority shall not enter into a the Agreement to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, or to any State, county or municipal political party committee, or legislative leadership committee during specified time periods.

Further, it shall be a breach of the terms of any the Agreement with the Authority for any Business Entity who has been awarded the contract, during the term of the contract or any extension thereof, to:

- (i) make or solicit a contribution in violation of Chapter 51 or EO117;
- (ii) knowingly conceal or misrepresent a contribution given or received;
- (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor or Lieutenant Governor, or to any State, county or municipal party committee, or legislative leadership committee;
- (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the Business Entity itself, would subject that entity to the restrictions of Chapter 51 or EO117;
- (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- (vii) engage in any exchange of contributions to circumvent the intent of Chapter 51 or EO117; or
- (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of Chapter 51 or EO117.

CERTIFICATION AND DISCLOSURE REQUIREMENTS

Prior to the award of any the Agreement or agreement, the Authority shall notify any Business Entity to which it intends to award a the Agreement of the need to submit to the Authority a completed Certification and Disclosure of Political Contributions form, as issued by the State Treasurer. **The intended awardee will receive the applicable form from the Authority's Purchasing Department to be completed and returned to the Authority for submission to the State Treasurer.**

In completing this form, the Business Entity must certify that no contributions prohibited by Chapter 51 or EO117 have been made by the Business Entity and must report all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C. § 527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. Failure to submit the required forms will preclude award of the contract at issue, as well as future the Agreement opportunities.

Upon approval by the State Treasurer, the Authority will issue a the Agreement. However, if the State Treasurer determines that any contribution or action by a Business Entity poses a conflict of interest in the awarding of the contract or agreement at issue, the State Treasurer shall disqualify the Business Entity from award of such the Agreement.

Once approved by the State Treasurer, a Business Entity's Political Contributions Certification is valid for a two (2) year period from the date of approval. If, prior to the award of a contract, the State Treasurer confirms to the Authority that the intended awardee has an approved Certification that will remain valid for the term of the contract, the Authority may waive the requirement that the awardee complete an additional Certification and Disclosure of Political Contributions form.

Any Business Entity entering into a contract with the Authority is required, on a continuing basis, to report to the Authority any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. Such reports shall be subject to review by the Authority and the State Treasurer. If the State Treasurer determines that any such contribution poses a conflict of interest, such contribution shall be deemed a material breach of the contract or agreement at issue.

EXHIBIT E

STOCKHOLDER / PARTNERSHIP DISCLOSURE STATEMENT

The undersigned firm name of Proposer, in compliance with Public Law 1977, Chapter 33, does hereby state and declare the following list of stockholders or partners in this corporation or partnership, as the case may be, with 10 percent or greater interest therein.

| <u>Name</u> | <u>Address</u> | Number of Shares of Stock in Corporation or % of <u>Interest in Partnership</u> |
|-------------|----------------|--|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

I certify that to the best of my knowledge the list of stockholders above is current and correct.

AUTHORIZED SIGNATURE: _____

Print Name and Title: _____

Witnessed by _____ Date _____

EXHIBIT F

VENDOR DISCLOSURE FORM

Please be advised that, the New Jersey Turnpike Authority (the "Authority") has developed this form under the policy and procedures in accordance with N.J.S.A. 52:34-13.2. Under this order, the Authority must consider the requirements of New Jersey's contracting laws, the best interests of the State of New Jersey and its citizens, as well as applicable federal and international requirements.

The Authority shall insure that all Firms seeking to enter into any the Agreement in which services are procured on his behalf must disclose:

- a. The location by country where the services under the contract will be performed;
and
- b. Any subcontracting of services under the contract and the location by country
where the subcontracted services will be performed.

LOCATION BY COUNTRY WHERE SERVICES UNDER THIS THE AGREEMENT WILL BE PERFORMED:

The Contractor _____
(Location by Country)

Name: _____

Address: _____

Title: _____

Subcontractor: _____
(Location by Country)

Name: _____

Address: _____

Title: _____

I certify that all information is true and correct to the best of my knowledge.

Contractor: _____ Title: _____

EXHIBIT G

NOTICE TO ALL PROPOSERS SET-OFF FOR STATE TAX

Please be advised that pursuant to P.L. 1995. c. 159, effective January 1, 1996 and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership, or S corporation under the Agreement to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services or construction projects and at the same time the taxpayer, or the partner or shareholder of that entity, is indebted for any State tax, the Director of the Division of Taxation shall seek to set-off that taxpayer's, partner's or shareholder's share of the payment due to the taxpayer, partnership, or S corporation. The amount of set-off shall not allow for the deduction of any expenses or other deductions which might be attributable to a partner or shareholder subject to set-off under this act. No payment shall be made to the taxpayer, the provider of goods or services, or the contractor or subcontractor of construction projects pending resolution of the indebtedness.

The Director of Division of Taxation shall give notice to the set-off to the taxpayer, the provider of goods or services, or the contract or subcontractor of construction projects and provide an opportunity for a hearing with thirty (30) days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State pursuant to P.L. 1987, c. 184 (c.52:32-32et seq.) to the taxpayer, the provider of goods or services, or the contract or subcontractor of construction projects shall be stayed.

"I HAVE BEEN ADVISED OF THIS NOTICE."

COMPANY_____

SIGNATURE_____

NAME_____

TITLE_____

DATE_____

EXHIBIT H

**NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION REQUIREMENT FOR
DISCLOSURE OF POLITICAL CONTRIBUTIONS**

All business entities are advised of their responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 if they receive the Agreements in excess of \$50,000.00 from public entities in a calendar year. Business entities are responsible for determining if filing is necessary. Additional information on this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us

**DISCLOSURE OF CONTRIBUTIONS TO NEW JERSEY ELECTION LAW ENFORCEMENT
COMMISSION IN ACCORDANCE WITH N.J.S.A. 19:44A-2027**

STATE OF _____

:SS

COUNTY OF _____

I, _____ of the _____ of _____ in the County of _____ and the State of _____ of full age, being duly sworn according to law on my oath depose and say that:

I am _____, a _____ in the firm of _____
(Name) (Title, Position, etc.)

_____, the Proposer making the Submission in response to the Request for Proposal to Furnish and Provide the Services referenced herein; that I executed said Submission with full authority to do so; and that the Proposer acknowledges our responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 if in receipt of the Agreements in excess of \$50,000.00 from public entities in a calendar year. I further acknowledge that business entities are solely responsible for determining if filing is necessary and that all statements contained in said Proposal and in this affidavit are true and correct, and made with full knowledge that the New Jersey Turnpike Authority relies upon the truth of the statements contained in said Proposal and in statements contained in this affidavit in awarding the contract for the Services.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such the Agreement upon an agreement or understanding for commission, percentage proposerage, or contingent fee, except bona fide employees of the Proposer, and as may be permitted by law.

Print Name: _____

Subscribed and Sworn to before me this _____ day of _____ 20____

Notary Public of _____

My Commission Expires: _____

EXHIBIT I

AFFIDAVIT OF NON-COLLUSION

STATE OF :
 :
COUNTY OF :

The undersigned, being duly sworn according to law, deposes and says:

1. That, as the party submitting the foregoing Proposal, that such Proposal is genuine and not collusive or a sham; that said Proposer has not colluded, conspired, connived, or agreed, directly or indirectly, with any Proposer or person, to put in a sham Proposal or to refrain from participating in this solicitation, and has not, in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the price of affiant or of any other Proposer, or to fix any overhead, profit, or cost element of said price, or of that of any other Proposer, or to secure any advantages against the New Jersey Turnpike Authority ("Authority"), or any person interested in the proposed the Agreement; and that all statements in said Proposal are true.

2. That he/she has not been convicted or found liable for any act prohibited by state or federal law involving conspiracy or collusion with respect to proposing or bidding on any public the Agreement within the last three years. Such act or conviction does not automatically disqualify a Proposer, but may be grounds for administrative suspension or grounds for consideration by Authority as to whether Authority should decline to award a the Agreement to such a Proposer on the basis of a lack of responsibility. If Proposer has been convicted of any act prohibited by state or federal law involving collusion with respect to proposing or bidding on any public the Agreement within the past three years, Proposer should attach an explanation of the circumstances surrounding that conviction.

FIRM NAME

NAME

TITLE

SIGNATURE

Subscribed and sworn to
before me this day
of , 20__.

EXHIBIT J

NJ DIVISION OF REVENUE BUSINESS REGISTRATION

For information regarding the New Jersey Division of Revenue Business Registration Requirement, Proposers can contact the Bureau of Client Registration at (609) 292-1730.

If you wish to file your application online, you may do so by visiting the following website:
<http://www.nj.gov/treasury/revenue/busregcert.htm>

EXHIBIT K

NEW JERSEY UNIFORM ETHICS CODE¹ FOREWORD

Pursuant to *N.J.S.A. 52:13D-23*, the State Ethics Commission has adopted this Uniform Ethics Code to govern and guide the conduct of State officers and employees and special State officers and employees in State agencies in the Executive branch of State Government.

The Uniform Ethics Code shall be the primary code of ethics for State agencies. It shall be supplemented by an agency code of ethics formulated with respect to the particular needs and problems of the agency to which said code is to apply. Each agency, in consultation with the Attorney General's Office, must review its enabling legislation to ensure that any agency specific conflicts provisions are included in any supplemental agency code. An agency code must be approved by the Commission.

¹ New Jersey Uniform Ethics Code, September 2006

NEW JERSEY UNIFORM ETHICS CODE TABLE OF CONTENTS²

- I. DEFINITIONS
- II. GENERAL STANDARDS OF CONDUCT
- III. ACCEPTANCE OF GIFTS
- IV. ATTENDANCE AT EVENTS
- V. POLITICAL ACTIVITY
- VI. OUTSIDE ACTIVITIES AND BUSINESS INTERESTS
- VII. OFFICIAL STATIONERY
- VIII. POST-EMPLOYMENT RESTRICTIONS
- IX. RECUSAL ON OFFICIAL MATTERS
- X. THE AGREEMENTS
- XI. RETIREMENT GIFTS
- XII. WAGE FOR PUBLISHED WORKS
- XIII. FAMILY MEMBERS – CONFLICTS OF INTEREST
- XIV. CASINO-RELATED FAMILY MEMBER RESTRICTIONS
- XV. REPORTING COMPLAINTS
- XVI. PENALTIES

² New Jersey Uniform Ethics Code, September 2006

I. DEFINITIONS

As used in this Uniform Ethics Code, and unless a different meaning clearly appears from the context, the following terms shall have the following meanings.

“Commission” means the State Ethics Commission, established in but not of the Department of Law and Public Safety pursuant to *N.J.S.A. 52:13D-21*.

“Conflicts Law” means the New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.*

“Ethics Liaison Officer” means the individual(s) designated by the agency head to assist the State Ethics Commission in implementing and enforcing the Conflicts Law and related ethics codes.

“Event” means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State official’s work location, is sponsored or co-sponsored by a supplier or a non-State government source and the invitation for which is extended to the State official because of his or her official position.

“Gift” means any fee, commission, service, Wage, gratuity, or other thing of value of any kind. If an item has more than a nominal monetary value, it will be characterized as a gift. A gift includes admission to an event for which a member of the general public would be charged, a meal, transportation, or offer of employment.

“Head of a State agency” means, in the case of the Executive branch of government, except with respect to interstate agencies, the department head or, if the agency is not assigned to a department, the Governor.

“Immediate Family Member” means an individual’s spouse, child, parent or sibling residing in the same household. *N.J.S.A. 52:13D-13(i)*.

“Interest” means (1) the ownership or control of more than 10% of the profits or assets of a firm, association, or partnership, or more than 10% of the stock in a corporation for profit other than a professional service corporation organized under the “Professional Service Corporation Act,” P.L. 1969, c. 232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than 1% of the profits of a firm, association, or partnership, or more than 1% of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the “Casino Control Act,” P.L. 1977, c. 110 (C. 5:12-1 et seq.). The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

“Interested party” means: 1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the State official’s agency; 2. Any supplier, or employee, representative or agent thereof; 3. Any organization that advocates or represents the positions of its members to the State official’s agency; or 4. Any organization a majority of whose members are as described in paragraphs 1 through 3 above.

“Person” means any natural person, association or corporation.

“Published work” means any tangible medium of expression, including, but not limited to, literary, pictorial, graphic and sculptural matter; sound recordings; and software. *N.J.A.C. 19:61-6.2*.

“Relative,” as used in section XIII, means an individual’s spouse, and the individual’s or his/her spouse’s parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half-brother, or half-sister, whether the relative is related to the individual or the individual’s spouse by blood, marriage or adoption.

“Special State officer or employee” means (1) any person holding an office or employment in a State agency, excluding an interstate agency, for which office or employment no Wage is authorized or provided by law, or no Wage other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law; (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment in a State agency, excluding an interstate agency, or (3) any person appointed as a New Jersey member to an interstate agency the duties of which membership are not full-time.

“State agency” means any of the principal departments in the Executive branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, and, to the extent consistent with law, any interstate agency to which New Jersey is a party and any independent State authority, commission, instrumentality or agency. A county or municipality shall not be deemed an agency or instrumentality of the State.

"State officer or employee" means any person, other than a special State officer or employee (1) holding an office or employment in a State agency, excluding an interstate agency, other than a member of the Legislature or (2) appointed as a New Jersey member to an interstate agency.

“Supplier” means any person that is providing or is seeking to provide or may reasonably be expected to provide goods and/or services to the State officer or employee’s or special State officer or employee’s agency, including, but not limited to, consultants, Firms and lessors.

“Unclassified office or position” means any office or position in the unclassified service of the civil service of the Executive branch of State government.

II. GENERAL STANDARDS OF CONDUCT

It is essential that the conduct of public officials and employees shall hold the respect and confidence of the people. Public officials must, therefore, avoid conduct that is in violation of their public trust or that creates a justifiable impression among the public that such trust is being violated. Accordingly, State officers and employees and special State officers and employees shall conform their conduct to the following standards.

1. No State officer or employee or special State officer or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his/her duties in the public interest.
2. No State officer or employee or special State officer or employee should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government without promptly filing notice of such activity with the Commission.
3. No State officer or employee or special State officer or employee should act in his/her official capacity in any matter wherein he/she has a direct or indirect personal financial interest that might reasonably be expected to impair his/her objectivity or independence of judgment.
4. No State officer or employee or special State officer or employee should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his/her acts that he/she may be engaged in conduct violative of his trust as a State officer or employee or special State officer or employee.

Misuse of Official Position or Information

5. No State officer or employee or special State officer or employee should use or attempt to use his/her official position to secure unwarranted privileges or advantage for him/herself or others.
6. No State officer or employee or special State officer or employee, shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he/she receives

or acquires in the course of and by reason of his/her official duties. No State officer or employee or special State officer or employee shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties. Representation/Appeal before a State Agency.

7. No State officer or employee, nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency. Nothing contained herein shall be deemed to prohibit any such partnership, firm or corporation from appearing on its own behalf.

8. No special State officer or employee, nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular office, bureau, board, council, commission, authority, agency, fund or system in which such special State officer or employee holds office or employment.

Nothing contained in this section shall be deemed to prohibit any State officer or employee or special State officer or employee from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding:

- i. Pending before any court of record of this State,
- ii. In regard to a claim for Wage arising under chapter 15 of Title 34 of the Revised Statutes (Workers' Wage),
- iii. In connection with the determination or review of transfer inheritance or estate taxes,
- iv. In connection with the filing of corporate or other documents in the office of the Secretary of State,
- v. Before the Division on Civil Rights or any successor thereof,
- vi. Before the New Jersey State Board of Mediation or any successor thereof,
- vii. Before the New Jersey Public Employment Relations Commission or any successor thereof,
- viii. Before the Unsatisfied Claim and Judgment Fund Board or any successor thereof solely for the purpose of filing a notice of intention pursuant to P.L.1952, c.174, s.5 (C.39:6-65),or
- ix. Before any State agency on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and provided he is not holding any office or employment in the State agency in which any such proceeding is pending.

III. ACCEPTANCE OF GIFTS

No State officer or employee or special State officer or employee shall accept any gift, favor, service or other thing of value related in any way to the State official's public duties.

Upon the recommendation of the Special Counsel for Ethics Review and Compliance, the Commission has adopted a zero tolerance policy for acceptance of gifts. (See *Report of the Special Ethics Counsel to the Governor of the State of New Jersey*, dated March 14, 2005.) Accordingly, any gift that is offered to or received by a State officer or employee or special State officer or employee or, his/her spouse, immediate family member, partner or associate shall be immediately reported to the agency's Ethics Liaison Officer ("ELO"). Unless the State officer or employee or special State officer or employee is permitted to receive the gift or thing of value in accordance with the Commission's rules on attendance at events (see section IV), no State officer or employee or special State officer or employee or, his/her spouse, immediate family member, partner or associate shall accept, either directly or indirectly, any gift, favor, service or other thing of value related in any way to the State official's public duties.

The exceptions to the zero tolerance rules for acceptance of gifts are set forth below.

- a. Unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts received as a result of mass advertising mailings to the general business public may be retained by the recipient or the recipient's department for general use if such use does not create an impression of a conflict of interest or a violation of the public trust. The receipt of such complimentary articles is not required to be reported to the ELO.
- b. A State officer or employee or special State officer or employee may receive a gift, favor, service or other thing of value from a Firm under the same terms and conditions as are offered or made available to members of the general public.
- c. A State employee is permitted to give or receive a gift from a co-worker, a supervisor or a subordinate. The gift should not be excessive or inappropriate for a business environment. Such gift shall not be reported to the ELO.
- d. In accordance with *N.J.S.A. 52:13D-24*, gift provisions do not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office.

The procedures for reporting receipt of a gift are set forth in Appendix A.

IV. ATTENDANCE AT EVENTS

Attendance at an event that is sponsored or co-sponsored by an entity other than the State must be approved by the agency's ELO.

A State employee must complete the form identified as "Request For Approval For Attendance At Event," prior to attendance.

A State employee shall not attend an event in his or her official capacity unless a legitimate State purpose will be served.

Costs associated with attendance at an event shall be paid or reimbursed in accordance with *N.J.S.A. 52:13D-24* and *N.J.A.C. 19:61-6.1 et seq.*

A State employee is prohibited from accepting honoraria in connection with his/her attendance or participation at an event. *N.J.S.A. 52:13D-24*.

A State employee is prohibited from accepting entertainment, or reimbursement for entertainment, that is collateral to an event, such as a golf outing, tickets to a sporting event or a meal taken other than in a group setting with all attendees present.

The Commission's rules on attendance at an event and the form that must be completed prior to attendance at an event are set forth in Appendix B.

V. POLITICAL ACTIVITY

Upon giving notice to the agency ELO, a State employee may be involved in political activities unless:

1. the State employee is prohibited from such activities by State or federal statute or agency rule; or
2. the political activity conflicts with the employee's official duties.

Pursuant to *N.J.S.A. 52:13D-14* and *N.J.S.A. 52:13D-24*, a State employee may accept a contribution to the campaign of an announced candidate for elective public office provided the contribution is not known to be given in lieu of a payment that is prohibited by the Conflicts Law. Further, a State employee is subject to the Department of Personnel's Administrative Code provisions governing political activity, *N.J.A.C. 4A:10-1.2*. Note that a State

employee is not permitted to serve as a campaign treasurer on any campaign that is subject to the jurisdiction of the Election Law Enforcement Commission.

The Commission's Guidelines on Political Activities and the provisions of *N.J.A.C. 4A:10-1.2* are set forth in Appendix C.

VI. OUTSIDE ACTIVITIES AND BUSINESS INTERESTS

No State officer or employee or special State officer or employee should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his/her objectivity and independence of judgment in the exercise of his/her official duties.

A State officer or employee's participation in any service, activity or employment that is outside his/her official State duties may be prohibited by the Conflicts Law, other State or Federal law or regulation, or the code of ethics adopted by the employee's agency. Accordingly, a State officer or employee shall obtain the approval of the ELO prior to engaging in any of the following outside activities.

- a. Commencement of any business, trade, profession or other compensated employment, including the acceptance of Wage for a speech or published work;
- b. Uncompensated or volunteer work for or with any entity; or
- c. Holding office or title in the governing or advisory board of any entity.

Notwithstanding the requirement to disclose outside employment and activities, a State agency may exempt disclosure of specific kinds of outside employment or activities if the agency is satisfied that such activity or employment does not present a conflict of interest.

A State officer or employee is not permitted to hold employment with, hold an interest in, or represent, appear for, or negotiate on behalf of a holder of or applicant for a casino license unless the Commission grants a waiver. A waiver is granted in circumstances where it is determined by the Commission that such casino activity will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or the appearance of such conflict. A special State officer or employee is prohibited from holding an interest in or representing, appearing for or negotiating on behalf of a holder of or applicant for a casino license, or any holding or intermediary company with respect thereto, in connection with any matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment with a casino license holder or applicant and, if so employed, may hold an interest in or represent, appear for or negotiate on behalf of his/her casino employer. *N.J.S.A. 52:13D-17.2(b)*

All State officers and employees shall complete the Outside Activity Questionnaire attached to this document as Appendix D, in accordance with the procedures adopted by his/her agency. These procedures shall, at a minimum, require that each current employee complete the questionnaire and that each new employee complete the questionnaire upon commencement of employment with the agency. The procedures shall also require that a State officer or employee amend his/her Outside Activity Questionnaire whenever there is a change in the employee's outside activity or State employment. A State agency shall require disclosure of additional information regarding the outside activities of its employees as necessary to address the particular needs and problems of the agency.

The agency ELO shall review all outside activity questionnaires and determine whether the outside activity is permissible in accordance with the Conflicts Law, the Uniform Ethics Code, the agency code of ethics or any other authority. A State officer or employee may appeal an agency ELO's decision to disapprove an outside activity. Such appeal shall be submitted in writing to the Commission within 60 days of the employee's receipt of the agency's decision. The appeal shall cite the relevant section(s) of the Conflicts Law, Uniform Ethics Code, agency code of ethics or other authority which supports the position of the employee that such outside activity should be permitted.

Each State agency shall develop a Conflict of Interest questionnaire for special State officers and employees of that agency. Each State agency shall develop a process for the review and retention of both Outside Activity Questionnaires and Conflict of Interest Questionnaires.

The Commission's Guidelines Governing Outside Activities are set forth in Appendix E.

Blind Trusts

A blind trust may be used by a State officer or employee, a special State officer or employee, his/her spouse or domestic partner or dependent children to avoid conflicts situations caused by financial interests. The trust must conform to the standards set forth in the Blind Trust Guidelines, Appendix F.

VII. OFFICIAL STATIONERY

Official stationery shall be used only in connection with the State agency's official business. The limitations on use of official stationery also apply to personal stationery paid for by an officer or employee if it is imprinted with the agency office or the title of the State officer or employee.

A State officer or employee or special State officer may not use official stationery to promote a candidate for elective office, endorse a State Firm or the Agreementor, express a personal opinion on a matter that is not related to his/her official duties, or to promote his/her financial or other self-interest.

Exceptions: A State officer or employee or special State officer or employee may use official stationery to write a letter of recommendation for, or respond to an inquiry about, a current or former colleague or employee. These permissible uses are only acceptable so long as the use of official stationery does not create an impression that the State officer or employee is engaged in an unwarranted use of his/her position. For example, it would not be appropriate for a State employee to recommend an individual for inclusion in a program over which the State employee has supervisory or regulatory authority. In addition, there must be a reasonable connection between the officer's or employee's official duties and the use and purpose of the letter.

A State agency may not use official stationery to solicit a contribution from any interested party. Solicitation of any other entity must be reviewed and approved by the agency's ELO.

The Commission's Guidelines with respect to the use of official stationery are set forth in Appendix G.

VIII. POST-EMPLOYMENT RESTRICTIONS

Seeking Future Employment

State officers or employees who have direct and substantial contact with any interested parties must refrain from circulating resumes or in any manner seeking employment with those individuals or entities while still in State service. If an employee is solicited for potential employment by an entity with which he/she has direct and substantial contact, that solicitation must be disclosed immediately to the employee's management and to the agency's ELO. Employees who do not have direct and substantial contact with interested parties may circulate resumes and enter into discussions regarding potential employment with those individuals or entities so long as they avoid any situations that may give rise to an unwarranted advantage. All employees are cautioned that discussions, interviews, and negotiations shall not take place on State time.

Solicitation or discussion of employment with regulated entities, or their representatives, that have a specific cause, proceeding, application or other matter pending before the employee's agency is not permitted. There may be circumstances when solicitation or discussion of employment with respect to regulated entities, or their representatives, could be approved if no specific cause, proceeding, application or other matter is pending before the agency. These situations must be reviewed on a case-by-case basis before the employee proceeds with any job-seeking activities.

Lifetime Ban

At no time subsequent to the termination of his/her office or employment in any State agency may a former State officer or employee or special State officer or employee represent, appear for, negotiate on behalf of, or provide information or services not generally available to members of the public, or agree to perform any of those activities,

for any party other than the State in connection with a specific cause, proceeding, application or matter with which the State officer or employee or special State officer or employee had been substantially and directly involved at any time during the course of his/her office or employment. *N.J.S.A. 52:13D-17*. This lifetime ban applies not only to the State officer or employee or special State officer or employee personally, but also to the partnership, firm or corporation under the following circumstances: (1) if the former State officer or employee or special State officer or employee is a shareholder, associate or professional employee of a firm organized as a professional service corporation or (2) if the former State officer or employee or special State officer or employee owns or controls more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm, association or partnership.

One-Year Ban – Certain State Officials

In accordance with the recommendation of the Special Counsel for Ethics Review and Compliance, a one-year ban on the activities described in this section shall apply to any head, deputy head or assistant head of any principal department, board, commission or authority, the Superintendent of State Police, the Governor's Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel, Director of Communications, Policy Counselor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor. For one year after the termination of the State office or employment of any of the individuals noted above, he/she shall not represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party other than the State with or before any officer or employee of the State agency in which he/she served. The provisions of this subsection shall not apply to any partnership, firm or corporation in which he/she has an interest or is employed, or to any partner, officer, director or employee of such partnership, firm or corporation. Nothing contained in this section shall prohibit a State agency from contracting with a former State officer or employee to act on behalf of the State. In addition, the governor and each head of a principal department in the Executive branch are prohibited, for one year after the termination of office or employment, from registering as a "governmental affairs agent," as that term is defined in *N.J.S.A. 52:13C-20*. *N.J.S.A. 52:13C- 21.4*.

Two-Year Casino Employment Restriction

N.J.S.A. 52:13D-17.2 sets forth post-employment restrictions applicable to State officers or employees subject to financial disclosure by law or executive order, and State officers or employees or special State officers or employees with responsibility for matters affecting casino activities.

Such persons are prohibited from holding, directly or indirectly, an interest in, or holding employment with, a casino licensee or applicant for a casino license for a period of two years following the termination of their State employment. In addition, such persons may not represent, appear for, or negotiate on behalf of a casino. This prohibition applies to any business entity in which the person holds an interest or is otherwise associated, including the officers or employees of such business entity. This prohibition applies to the person's immediate family members unless granted a waiver by the Commission. See Section XIV, below. *N.J.S.A. 52:13D-17.2(c)*.

Waivers

In accordance with *N.J.S.A. 52:13D-17.2*, the Commission may grant an exception from the above casino employment restrictions for a person's immediate family member or an employee who was terminated as a result of a reduction in force, (provided that the employee did not hold a policy-making management position during the five years prior to termination of employment) whenever it determines that such waiver will not create a conflict of interest or the appearance of a conflict of interest:

The Commission's Guidelines with respect to Post-Employment Restrictions are set forth in Appendix H.

IX. RECUSAL ON OFFICIAL MATTERS

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter that involves any private sector individual, association, corporation or other entity that employed or did business with the State officer or employee or special State officer or employee during the one year prior to the employee's commencement of State service.

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter if he/she had any involvement in that matter, other than on behalf of the State, prior to commencement of his/her State service.

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter if he/she has a financial or personal interest that is incompatible with the proper discharge of his/her public duties.

An incompatible personal or financial interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to or involving a relative or cohabitant; a relationship with a person providing funds, goods or services without Wage; any matter pertaining to or involving a business associate or business investment; and a leadership role in a professional or trade organization, which interest might reasonably be expected to impair a State official's objectivity and independence of judgment in the exercise of his/her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he/she may be engaged in conduct violative of his/her trust as a State official.

Upon determining that a State official shall recuse him/herself on any matter, the State official shall execute the recusal in writing, and shall have no involvement with the subject matter of the recusal. If a State official cannot determine whether he/she should execute a letter of recusal in any matter, the State official shall contact his/her agency ELO or the Commission for guidance. A State official shall seek the advice of the State agency's counsel, agency ELO or the Commission as to the propriety of participation in a matter if any person requests that a State official recuse him/herself from that matter. Oral advice, followed up by a writing, shall be provided by the agency's counsel, the agency ELO or the Commission to avoid delay. Oral advice shall subsequently be memorialized by a writing or by inclusion in public minutes.

The Commission's regulations governing recusal, *N.J.A.C 19:61-7.1 et seq.*, which include the required elements for a written recusal, are set forth in Appendix I.

X. CONTRACTS

With few exceptions, a State employee may not enter into a contractual agreement with the State.

An agency head, deputy head or assistant head is prohibited from engaging in any private business transactions with any employee in his/her agency.

Limitation on contracting by State officer or employee

Pursuant to *N.J.S.A. 52:13D-19*, no State officer or employee shall knowingly undertake or execute, in whole or in part, any the Agreement, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by any State agency. The exceptions to this prohibition are set forth below. As used in this section, State officer or employee also includes his or her partners, any other person for the use or benefit of the State employee or on his or her account or any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock.

Limitation on contracting by special State officer or employee

Pursuant to *N.J.S.A. 52:13D-19*, no special State officer or employee who has duties or responsibilities in connection with the purchase or acquisition of property or services by the State agency where he/she is employed or an officer shall knowingly undertake or execute, in whole or in part, any the Agreement, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by that State agency. The exceptions to this prohibition are set forth below. As used in this paragraph, special State officer or employee also includes his/her partners, any other person for the use or benefit of the special State employee or on his/her account or any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock.

The restrictions contained above shall apply to the contracts of interstate agencies to the extent consistent with law only if the contract, agreement, sale or purchase is undertaken or executed by a New Jersey member to that agency or by his/her partners or a corporation in which he/she owns or controls more than 1% of the stock.

Permissible Contracts with the State

(1) With the prior approval of the Commission, a State officer or employee or special State officer or employee is permitted to enter into the following:

(a) purchases, contracts, agreements or sales which are made or let after public notice and competitive bidding or which, in accordance with public bidding laws or regulations applicable to other State agencies, may be made, negotiated or awarded without public advertising for bids, or

(b) any contract of insurance entered into by the Director of the Division of Purchase and Property pursuant to *N.J.S.A. 52:27B-62*.

(2) A State officer or employee or a special State officer or employee or his partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a contract or agreement with a State agency where the contract or agreement is for the development of scientific or technological discoveries or innovations in which the State agency has a property right, if the State agency has a procedure in its code of ethics for authorizing these the Agreements or agreements that minimizes actual conflicts of interest, and the code of ethics was approved in accordance with *N.J.S.A. 52:13D-23*, and the contract or agreement complies with that code procedure.

(3) A State officer or employee or a special State officer or employee or his/her partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a rental agreement with a State agency which operates a facility which rents space or provides services to assist small businesses which employ 50 people or less, pursuant to the same terms and conditions as those offered to members of the public generally.

Please note that the Commission has never approved a request by a State officer or employee, or special State officer or employee, to enter into a contract with his/her own agency.

The Commission's Guidelines on Privatization, set forth in Appendix J, are applicable to a State employee's participation in an open competitive bid process for the privatization of services currently being provided by his/her agency.

XI. RETIREMENT GIFTS

A gift can be given to a State employee upon his/her retirement from State service. There are specific limits to the value of a permissible retirement gift. A State employee shall refer to Appendix K for the provisions governing retirement gifts.

XII. WAGE FOR PUBLISHED WORKS

A State officer or employee or special State officer or employee may not solicit, receive, or agree to receive, Wage from sources other than the State for published work(s) created as part of his/her official duties on State time and/or using State resources.

However, a State officer or employee or special State officer or employee, other than a “designated State officer,” (the Governor, cabinet-level officers and other principal administrative officers of the State) may, in connection with any service, advice, assistance, appearance, speech or other matter related to his/her official duties, receive or agree to receive, whether directly or indirectly, from sources other than the State, reasonable fees for published works on matters within his/her official duties not created on State time and/or using State resources.

In addition, a State officer or employee or special State officer or employee may accept Wage from sources other than the State for published work(s) on matters unrelated to his/her official duties created on his/her own time and with non-State resources.

Before agreeing to accept or accepting any Wage from a source other than the State for any published work, a State officer or employee or special State officer or employee must secure his/her State agency’s approval to do so.

In determining whether to grant such approval, the State agency shall consider, among other things, whether the Wage is offered by an interested party, and whether the published work uses or discloses information not generally available to the public. The determination shall be consistent with applicable law and agency policy.

No State officer or employee or special State officer or employee may use his/her official title in soliciting Wage for a published work.

The Commission’s Guidelines with respect to Published Works are set forth in Appendix L.

XIII. FAMILY MEMBERS - CONFLICTS OF INTEREST

- a. No relative of the Governor may be employed in any unclassified office or position within the State.
- b. No relative of a commissioner or department head may be employed in any unclassified office or position within the department over which the department head exercises authority.
- c. A relative of an assistant or deputy department head may be employed in an unclassified office or position within the department in which the assistant or deputy serves, provided that he/she is not assigned to a position over which the assistant or deputy department head exercises authority.
- d. A relative of a head or assistant head of a division within a department may be employed in an unclassified office or position within the department in which the division head or assistant division head serves, provided that he/she is not assigned to a position over which the assistant or deputy department head exercises authority.
- e. A relative of an appointed member of a governing or advisory body of an independent authority, board, commission, agency or instrumentality of the State may not be employed in any office or position in that entity.
- f. A relative of an appointed New Jersey member of a governing body of a bi-state or multi-state agency may not be employed in an office or position in that bi-state or multi-state agency, unless otherwise permitted by law.

- g. No State officer or employee or special State officer or employee may supervise his/her relative, or exercise any authority with regard to personnel actions involving his/her relative
- h. Each State agency shall require State officers and employees and special State officers and employees to disclose information sufficient for the agency to determine whether the employment of any individual within the agency is prohibited.

Cohabitation

The Commission has determined that the prohibition regarding personnel actions and the supervision of family members, set forth in paragraph 7 above, is applicable to non-related individuals who share the same household with the same financial interdependence that the Commission views as creating a conflict in spousal situations.

Dating Relationship

In the case of individuals involved in dating relationships, the Commission has found violations of the Conflicts Law in situations where the State employee had official involvement in a matter affecting the individual with whom he/she had a dating relationship. Accordingly, a State officer or employee or special State officer or employee shall not have any involvement in his/her official capacity in any matter that pertains to or involves an individual with whom he/she has a dating relationship.

The Commission's guidelines with respect to "Official Interactions with Family Members/Cohabitants and Dating Relationships" is attached hereto as Exhibit M.

XIV. CASINO-RELATED FAMILY MEMBER RESTRICTIONS

Concurrent Employment Restriction

An immediate family member of a State officer or employee, or of any "person," as defined at *N.J.S.A. 52:13D-17.2(a)*, may not hold directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of a holder of, or applicant for, a casino license, or any holding or intermediate company with respect thereto.

However, an immediate family member of a State officer or employee or "person" may be employed by a casino in circumstances where it is determined by the Commission that such employment will not interfere with the responsibilities of the State officer or employee or "person" and will not create a conflict of interest or the appearance of such conflict. *N.J.S.A. 52:13D-17.2(b)*.

Post-Employment Restriction

An immediate family member of a "person," as defined at *N.J.S.A. 52:13D-17.2(a)*, may not hold, directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any phase of casino development permitting, licensure, or any other matter related to casino activity, for a period of two years following the termination of the office or employment of such person. However, an immediate family member of a "person" may be employed by a casino in circumstances where it is determined by the Commission that such employment will not interfere with the responsibilities of the "person" and will not create a conflict of interest or the appearance of such conflict. *N.J.S.A. 52:13D-17.2(c)(1)*.

Casino post-employment restrictions that apply to State officials defined as "persons" are noted in section VIII.

XV. REPORTING COMPLAINTS

Allegations that a State officer or employee or special State officer or employee has violated a provision of this Uniform Code, the Conflicts Law, the Commission's rules, an agency code of ethics or any other standard within the jurisdiction of the Commission should be reported to the appropriate agency ELO or the Commission staff.

Allegations should contain as much detailed information as possible and, if the complainant chooses to identify him/herself, should include contact information so that the ELO or Commission staff can obtain additional information if necessary. A complainant is not required to disclose his/her identity when reporting an alleged ethics violation.

XVI. PENALTIES

The Commission is empowered to impose the following penalties in accordance with specific provisions of the Conflicts Law. Note that violations committed by a former State officer or employee or special State officer or employee may be subject to penalties so long as the Commission's investigation of same was initiated not later than two years following termination of service.

1. *N.J.S.A. 52:13D-17* provides that any person who willfully violates the general post-employment restrictions set forth in that provision is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both. In addition, for violations occurring after March 15, 2006, any former State officer or employee or former special State officer or employee found by the Commission to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 or more than \$10,000.

2. *N.J.S.A. 52:13D-17.2(h)* provides that any person who willfully violates the casino-related post-employment restrictions set forth in Section 17.2 (c) is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both. In addition, for violations of Section 17.2(c) occurring after March 15, 2006, any former State officer or employee or former special State officer or employee found to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 or more than \$10,000.

3. *N.J.S.A. 52:13D-21(i)* provides that any current or former State officer or employee or special State officer or employee found guilty by the Commission of violating any provision of the Conflicts Law, the Uniform Ethics Code, or any agency code of ethics, shall be fined not less than \$500 nor more than \$10,000, and may be suspended from office or employment by order of the Commission for a period not to exceed one year. In addition, for violations occurring after March 15, 2006, the State Ethics Commission may also order restitution, demotion, censure or reprimand.

This subsection further provides that if the Commission finds that the conduct of the officer or employee constitutes a willful and continuous disregard of the provisions of the Conflicts Law, the Uniform Ethics Code or any agency code of ethics, it may order that person removed from office or employment and may further bar the person from holding any public office or employment in this State in any capacity whatsoever for a period not exceeding five years from the date on which the person was found guilty by the Commission.

This subsection further provides that the Commission may impose a penalty of \$50 per day of violation for failure to file an appropriate financial disclosure statement required to be submitted to the Commission by law, regulation or executive order.

(See penalty provisions set forth at *N.J.A.C. 19:61-3.1(j)* and *N.J.A.C. 19:61-5.6(c)*.) 4. *N.J.S.A. 52:13D-23(d)* provides that violations of the Uniform Ethics Code or any agency code of ethics shall be cause for removal, suspension, demotion or other disciplinary action by the State officer or agency having the power of removal or discipline. With respect to a person who is in the classified civil service, the procedure leading to such removal or discipline shall be governed by the Civil Service Act, *N.J.S.A. 11A:1-1 et seq.* and the Rules of the Department of Personnel. No action for removal or discipline shall be taken under this subsection except upon the referral or with the approval of the Commission.

5. *N.J.S.A. 52:13D-26* provides that any person who willfully induces or attempts to induce a State officer or employee or special State officer or employee to violate any of the provisions of the Conflicts Law is a disorderly person, and shall be subject to a fine not to exceed \$500 or imprisonment not to exceed 6 months, or both.

EXHIBIT L

SMALL BUSINESS ENTERPRISE / MINORITY BUSINESS / WOMAN OWNED BUSINESS

SMALL / MINORITY / WOMAN BUSINESS ENTERPRISE FORM

If your firm is registered with the State of New Jersey as a Small Business Enterprise (SBE), and/or Certified as a Woman Business Enterprise (WBE) or Minority Business Enterprise (MBE) you must send a copy of the Registration / Certification Form with your Proposal. Please check off the gross receipt category of your business if registered as an SBE

- SBE CATEGORY 1 \$0- \$500,000 _____
- SBE CATEGORY 2 \$500,001 thru \$5,000,000 _____
- SBE CATEGORY 3 \$5,000,001 thru \$12,000,000 _____
- NOT APPLICABLE _____

SBE Registration # _____

Please check below if applicable

Woman Business Enterprise _____ Minority Business Enterprise _____

EXHIBIT M

SMALL BUSINESS ENTERPRISE FORM

SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE PARTICIPATION

SMALL BUSINESS ENTERPRISE FORM

SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE PARTICIPATION

| NAME & ADDRESS OF SBE (SUB)CONSULTANTISUPPLIER | TYPE OF WORK TO BE PERFORMED | ESTIMATED PERCENTAGEOF (SUB)CONSULTANT WORK |
|---|---------------------------------|--|
| | | |
| | | |
| | | |
| | | |
| | | |

(Attach additional sheet if necessary)

Consultant (Print Name)

Consultant's SBE Liaison officer (if applicable)

Telephone Number

All Consultants must complete and submit this form with their RFP, (If no subcontracting involved State So.)

EXHIBIT A

[RFP AND ADDENDA]

EXHIBIT B
[PROPOSAL]